



SCRUTINY COMMISSION – 4 NOVEMBER 2020

ANNUAL DELIVERY REPORT AND PERFORMANCE COMPENDIUM 2020

REPORT OF THE CHIEF EXECUTIVE

Purpose of the Report

1. The purpose of this report is to present the draft Annual Delivery Report and Performance Compendium for 2020 which set out the Council's performance over the past year. The Delivery Report itself (Appendix A) focuses largely on delivery against County Council priorities as set out in the Council's Strategic Plan 2018-22 and other main service strategies, particularly during the first half of the year. The report also sets out some of the impact, significant new work and reorientation required to support the major response to the coronavirus pandemic, which impacted the second half of the year and ongoing.
2. The Performance Compendium (Appendix B) includes information on comparative funding and performance, financial pressures, recovery and need for more savings plans, a higher level of service pressures and associated risks. The views of the Scrutiny Commission are sought on the Annual Delivery Report, prior to submission to the Cabinet on 20 November and full County Council on 2 December 2020.

Policy Framework and Previous Decisions

3. The Annual Delivery Report and Performance Compendium 2020 form part of the County Council's Policy Framework. The documents provide performance data which will help the Council and its partners to ensure services continue to meet standards, provide value for money and that outcomes are being achieved for local people.

Background

4. It is best practice in performance management, implicit in the LGA Sector-Led approach to local authority performance and part of the Council's Internal Governance Framework, to undertake a review of overall progress at the end of the year and to benchmark performance against comparable authorities. It is also good practice to produce an annual performance report and ensure that it is scrutinised, transparent, and made publicly available.

5. The National Audit Office has issued best practice guidance for annual reports highlighting that the annual report is a key mechanism for transparent disclosure of an organisation's in-year performance and governance matters. Disclosures in the annual report will help to provide information about the impact of covid-19 on the organisation to users of annual reports. The report should discuss how the entity has performed in the year, including areas where performance has deteriorated or below expectations, where money has been spent and the other key risks.
6. The Annual Delivery Report and Performance Compendium (appended to this report) covers County Council delivery over the last 12 months or so. It draws largely on 2019/20 comparative data, although older benchmarking and other data is included where more up to date information is not available. In some cases, the data is more recent, particularly where looking to consider the emergent impact of covid-19.
7. The report is divided into two parts – the first part is narrative, describing delivery, progress with implementing agreed plans and strategies, and achievements over the last 12 months. It largely focuses on performance against County Council priorities as set out in the Council's Strategic Plan 2018-22 and other main service strategies. The report also sets out some of the impact, significant new work and reorientation required to support the major response to the coronavirus pandemic, which impacted the second half of the year and ongoing.
8. The second part, the 'performance compendium', contains information on:
 - Current inequality in funding and the Council's Fair Funding campaign and proposals;
 - Current financial pressures and savings needs;
 - National and local service pressures and corporate risks;
 - Comparative performance, cost and service benchmarking 2018/19 including lower comparative performing areas;
 - 2019/20 end of year performance figures, where available, and a summary of progress towards the 2018-22 Strategic Plan outcomes.
9. Comparative data is sourced from a range of acknowledged data sources including the Local Government Association (LG Inform) national data system, Public Health and Adult Social Care Outcomes Framework data, OFSTED and Department for Education data sets, national highways survey, statutory returns, and Chartered Institute of Public Finance and Accountancy (CIPFA) data. There is some comparative data still to be published due to delays nationally as a result of corona-virus, some of which are due to be published by December 2020. The overall Council benchmarking position for 2019/20 will be updated at that point.
10. The reports are draft documents and will continue to be developed to incorporate points made by the Scrutiny Commission and Cabinet as well as

the inclusion of any final national comparative data which becomes available prior to its consideration by the County Council on 2 December. The final Annual Delivery Report will be properly formatted and published online via the County Council website (<http://www.leics.gov.uk>).

Delivery Narrative Summary

11. Overall analysis of the narrative shows some strong examples of delivery across the theme outcome areas, particularly during the first half of the year. The report has substantial sections on economy and transport, housing, health and wellbeing, safer communities, and children and families' delivery, reflecting a range of work going on to meet priority outcomes in these theme areas.
12. The report includes a full section on delivery of the communities' outcome priority (including environment and culture work), drawing on work taking place in relation to the Communities Strategy and supported by the corporate Communities Team, communities' section of the Adults and Communities Department and Public Health activity such as local area coordinators. A separate shorter section covers key corporate services and enablers.
13. The report also sets out how services have had to adjust operations, such as moving to online or safer delivery modes, to cope with the impact of coronavirus. Many service areas have had to go above and beyond usual service expectations and workloads to support vulnerable people, communities, business, service users and staff during an extremely challenging period. As well as move to a largely online, working from home delivery model, in line with national guidance.
14. There remain good planning arrangements, financial management and governance in place supporting delivery, and these are having to be kept under more regular review and adjusted, where necessary, to reflect the approach to both the pandemic and service recovery. The Council has established Recovery Groups at both member and officer level in order to coordinate recovery planning activity to help manage the overall impacts.

Performance Data Analysis

15. Initial analysis of 2019/20 end of year data shows that of 191 metrics, 88 improved, 56 show no real change and 47 worsened. Direction of travel cannot be determined for 18 indicators, due to the absence of previous data or changes to indicator definitions. Clearly the pandemic has impacted on outcomes in a number of areas since end of year data, and some of these issues are flagged in the associated dashboards. A summary of progress on the indicators is set out in the Performance Compendium along with the actual detailed data and dashboards.
16. Based on current comparative analysis, 31% of indicators are top quartile, 33% second quartile, 21% third quartile and 15% fourth quartile. In late 2019 the Council was identified by the consulting firm IMPOWER as the most productive council using a range of performance and spend measures. The Councils own

more detailed benchmarking shows that the council moved up to 2nd best performing county in England on a wide range of performance measures in 2018/19, despite being the lowest funded.

Fair Funding

17. The report analysis identifies that low funding remains the Council's Achilles heel. Leicestershire remains the lowest-funded county council in the country with greater risks to service delivery as a result. If it was funded at the same level as Kensington and Chelsea it would be £366m better off. London Boroughs are particularly prevalent at the top of the funding league table.
18. The list of authorities with serious financial issues continues to grow with some counties having moved towards providing services to the statutory minimum level. Last year the Council published a new simplified funding model based on factors that drive demand for local services. It allocates money fairly, based on need, and narrows the gap between the highest and lowest funded councils. If implemented, the model would unlock up to an extra £47m for Leicestershire. The extent of service reductions made has already affected most areas of service delivery and some areas of performance, and further cuts will put other areas at risk.
19. Rising demand means that over the period of the Medium-Term Financial Strategy, growth is required due to pressures related to responding to additional covid-19 service costs, child placements, school places, learning disabilities, support for children with Special Educational Needs and Disabilities (SEND), waste disposal, and the ageing population. As a result, the Council has a funding gap of £15m and £20m in the next two years, rising to £50m by 2023/24. There will need to be an increased drive to identify savings initiatives. Whilst the focus will be on efficiency and productivity, inevitably there will be a need for additional reductions and this will require difficult decisions.

National and Local Service Demands and Pressures

20. In November 2019 the Institute for Fiscal Studies (IFS) reported that social care was swallowing up such high proportions of council spending that other services had suffered cuts of 40%. In its first annual report on local government finance, the IFS said budgets were increasingly focused on meeting statutory duties, with 57% of councils' non-education service budgets consumed by adults and children's care services. Spending on concessionary bus passes accounted for a quarter of all highways and transport spending. Spending per resident on culture and recreation and housing had fallen by 50% on average and highway maintenance by 53%.
21. In May 2019 analysis by PwC on the financial sustainability of councils up to 2025 showed a funding black hole of more than £50bn over six years as a result of rising costs and demand for services, which would mean yearly council tax rises, new charges for services and more cuts. It said that unless extra funding was provided only the bare minimum of services would be possible with many vital services all but disappearing.

22. CIPFA/ILG Performance Tracker – published by the Institute for Government (IFG) and CIPFA, *Performance Tracker 2019* looks at performance, demand and spending on nine public services for the next five years including GPs, hospitals, adult social care, children’s social care, neighbourhood services, police, prisons, courts, and schools. The 4th edition of the service performance tracker was launched in November 2019. The report finds that all public services analysed have seen some decline in performance – either in their quality (the standard of public service provided and how satisfied users are) or scope (the range of services provided and the number of people able to access them). Demand is rising particularly quickly for health and care services because of the ageing population, an increase in number of people with multiple health conditions and rising life expectancy for people with physical and learning disabilities. The report’s authors express serious concerns about the scope of local government services.
23. In October 2020 the Care Quality Commission (CQC) published its annual report on *‘The State of Health and Adult Social Care in England 2019/20’*. The report highlights that, prior to the coronavirus pandemic, quality of care was largely maintained compared to the previous year, but not improved. The CQC, pre-coronavirus, had been concerned about a number of areas including the fragility of provision, struggles of poor services to improve, gaps in access to good quality care, and poorer quality of care types that are harder to plan for.
24. The pandemic has impacted care in a number of ways including unprecedented pressures to work to keep people safe, staff working long hours above and beyond expectations to care for sick people and in some cases dealing with the loss of those cared for and in some cases staff, and challenges in keeping a safe environment. In looking forward CQC highlight that the problems that existed before COVID-19 have not gone away. That there needs to be a new deal for the adult social care workforce that develops career progression, secures the right skills and better values staff with investment in training. Services need to be designed round people’s needs.
25. The service pressures and risks section of the compendium highlights a number of reports this year that continue to identify pressures on services, residents and continued good outcomes in addition to the above, including passenger transport, air quality, knife crime, community cohesion, climate change, emergency management and workforce recruitment, and wellbeing. These have been exacerbated by the corona-virus pandemic and a range of areas are now subject to monitoring.

Areas for Continued Focus

26. Given the significant financial challenges, demand, and delivery pressures facing the Council and the need to maintain both a strong recovery and continued pandemic support, areas for focus include:
- Continuing to support communities, vulnerable people, business and staff and maintain a strong public health and regulatory response to the

corona-virus pandemic and progress, as appropriate, on service recovery plans;

- Continuing to maintain the Fair Funding Campaign, pursue savings initiatives and cost mitigation measures and seek more sustainable funding for local services;
- Continuing with implementation of the Outcomes Framework, subject to any amendments as a result of the pandemic, Medium Term Financial Strategy and an updated Strategic Change Programme, including more digital delivery and a new workplace strategy;
- Taking forward actions arising from the Climate Emergency Declaration and a refreshed Environment Strategy;
- Progressing the continued delivery of improvements to support vulnerable children and families and meet demand pressures on children's social care and SEND;
- Maintaining the good progress on health and care integration and pressing for a government solution to the challenges in adult social care;
- Continuing with effective and targeted responses to various public health challenges;
- Implementing enhanced economic recovery and skills plans and measures to support the economy and those affected;
- Continuing partnership work with the Police and Crime Commissioner to pursue targeted crime areas such as domestic violence;
- Maintaining the focus on supporting workforce health and wellbeing.

Proposals/Options

27. The Cabinet on 20 November will be asked to consider the following recommendations, that:

- (a) The overall progress, particularly during the first half of 2019/20, in delivering on the Council's Strategic Priorities as set out in the draft Annual Delivery Report, be noted;
- (b) The significant and ongoing impact of the coronavirus pandemic on outcome delivery and services across a range of areas from late February be noted, together with the strong local response from the council and partners to support vulnerable people, communities, business, voluntary sector, staff and others throughout the pandemic;
- (c) The current comparative funding, performance position, and escalated service pressures and risks set out in the Performance Compendium be noted;
- (d) The delay in implementing the national fair funding system creates significant uncertainties in the medium term with risks to being able to

address the many service challenges and priorities now facing the County;

- (e) The Council continues to press its case for a fairer funding settlement and other major savings initiatives; and
- (f) The Chief Executive, following consultation with the Leader, be authorised to make any amendments to the draft Annual Delivery Report and Performance Compendium prior to its submission to the County Council on 2 December 2020 for approval.

Resource Implications

- 28. The report has no direct resource implications.

Timetable for Decisions

- 29. The views of the Scrutiny Commission will be taken into account in the development of the report to the Cabinet on 20 November. The Annual Delivery Report is scheduled for consideration by the County Council at its meeting on 2 December 2020.

Equality and Human Rights Implications

- 30. There are no equality and human rights implications directly arising from this report. The Annual Delivery Report and Performance Compendium incorporate the progress of the County Council against key equalities commitments and indicators.

Crime and Disorder Implications

- 31. The Report highlights progress against key community safety priorities and targets.

Environmental Impact

- 32. The Report includes progress against a number of environmental priority areas.

Partnership Working and associated issues

- 33. The Report considers progress in relation to the key priorities of key County partnerships.

Background Papers

Report to the County Council – 8 July 2020 - Leicestershire County Council's Revised Strategic Plan 2018-22

<http://politics.leics.gov.uk/documents/s154181/LCC%20Strategic%20Plan%202020.pdf>

Institute for Fiscal Studies Report on Local Government Finance - 2019

<https://www.ifs.org.uk/publications/13814>

PWC Report – Sustainability of Local Authorities to 2025

<https://www.countycouncilsnetwork.org.uk/local-government-finance/>

CIPFA/IFG Performance Tracker 2019

<https://www.instituteforgovernment.org.uk/publications/performance-tracker-2019>

The State of Health and Adult Social Care in England 2019/20.

<https://www.cqc.org.uk/publications/major-report/state-care>

Local Government Association: LG Inform Benchmarking System

<https://lginform.local.gov.uk/>

Circulation under the Local Issues Alert Procedure

None.

Officers to Contact

Tom Purnell, Assistant Chief Executive

Tel: 0116 305 7019

Email: tom.purnell@leics.gov.uk

Andy Brown, Operational Business Intelligence Team Leader

Chief Executive's Dept.

Tel: 0116 305 6096

Email: andy.brown@leics.gov.uk

Appendices

Appendix A - Draft Leicestershire County Council Annual Delivery Report 2020

Appendix B - Draft Performance Compendium 2020